

**Indian Market Research  
Weekly Market Summary**

Saturday, 24 December 2011

**WEEKLY HIGHLIGHTS**

- India govt bonds rating outlook stable: Moody's
- Food inflation plunges to 4-yr low of 1.81%
- Kingfisher Airlines slips to fifth place by market share
- Foreign investors can get equity in lieu of dividend
- Winter Session extended for Lok Pal Bill
- MCX becomes world's 5th-largest commodity bourse (by number of contracts traded)
- Yes Bank raises savings rate to 7%, NRI deposit rates to 9.6%

**WEEKLY SUMMARY**

Key benchmark indices managed gains as investors resorted to bargain hunting after recent steep slide in share prices. The latest data showing food inflation easing sharply to a near four-year low also aided sentiment. Easing of inflation may prompt the central bank to cut interest rates to revive sagging economic growth. The market fell in three out of five trading sessions in the week gone by. The food inflation eased sharply to 1.81% in the year to 10 December 2011, from an annual 4.35% rise in the previous week, government data showed on Thursday, 22 December 2011. A news agency on Wednesday, 21 December 2011, quoted an unnamed senior finance ministry official as saying that the government is looking at all options to attract foreign capital inflows.

High volatility is expected next week as traders roll over positions in futures & options (F&O) segment from the near-month December 2011 series to January 2012 series. The near-month December 2011 F&O contracts expire on Thursday, 29 December 2011. Foreign institutional investors (FIIs) have been sellers in domestic equities recently. The slowing domestic economic growth, high fiscal deficit, current account deficit and government's policy inaction remain a cause for concern. The winter session of parliament, which was to end on Thursday, 22 December 2011, has been extended till 29 December 2011 to discuss Lokpal Bill. Besides the Lokpal bill, the whistleblower bill and judicial accountability bill will also be discussed in the extended session. The government will on Thursday, 29 December 2011, unveil data on some wholesale price indices viz. the food price index, the primary articles index and the fuel price index for the year through 17 December 2011.

**EQUITY MARKETS & SECTOR PERFORMANCE**

- Oil & Natural Gas and FMCG sectors gained.
- Capital Goods continued its downward slide on poor industrial growth.

Sector	Var. %
Banks	1.16
IT – Software	0.64
Power	0.11
Oil & Natural Gas	3.26
Metal	1.56
Realty	1.36
Teck	0.84
Healthcare	0.25
FMCG	3.20
Capital Goods	3.18

**INDUSTRY NEWS & TRENDS**

- Coming down heavily on operators for violating licence norms, the Telecom Ministry has asked service providers to discontinue their 3G roaming agreements and is also contemplating imposing penalty on them.
- Kingfisher Airlines fell to fifth place in domestic market share during November, from third in the previous month, after the cash-strapped carrier grounded planes and cut routes, government data showed.
- Fitch Ratings, in a special report, says that debt of coal based thermal projects may be impacted by the impending coal shortage, particularly if their off-take arrangements do not envisage a pass through of fuel costs to the power tariff.

Auto	↗
BFSI	↘
Construction	↘
Consumer goods	↗
Energy	↗
Ind. Manufacturing	↗
IT	↘
Metals	↘
Telecom	↘

N.B. Shows average trends of the week

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## ECONOMIC AND POLITICAL HEADLINES

- Ratings agency Moody's on Wednesday unified India's local and foreign currency bond ratings at Baa3 and said the outlook on the ratings was stable. Ratings agency Moody's on Wednesday unified India's local and foreign currency bond ratings at Baa3 and said the outlook on the ratings was stable.
- Winter session has been extended by three days from December 27 to discuss Lokpal Bill and other legislations.
- Food inflation fell sharply to a near four-year low of 1.81% for the week ended December 10 as prices of essential items declined. This is the lowest rate of food inflation since the week ended February 9, 2008, when it stood at 2.26%.
- India's banking system is stable and can withstand global shocks, but there are weak spots like decelerating growth and rising fiscal deficit which are needed to be addressed, said a Reserve Bank report.
- The Income Tax Department seized ₹ 3 billion in black money, including cash and jewellery, during April-October, 2011-12, Parliament was informed today.
- The government today attributed the increasing trade deficit, which touched USD 117 billion in the first eight months of 2011-12, to increasing prices of imported commodities, like crude oil.

## CORPORATE NEWS

- **Kingfisher Airlines** said on Monday it will become part of the global OneWorld Alliance from February, making it the first carrier from the subcontinent to join a global airline group.
- Drug firm **Dr Reddy's Laboratories (DRL)** said it has shifted focus of its drug discovery to new segments, including dermatology and pain management, from cardiac diseases and diabetes due to high costs involved for the latter.
- The country's largest software exporter **Tata Consultancy Services** said it will build a new software development unit in Nagpur, Maharashtra at an initial investment of ₹ 6 billion, creating jobs for over 8,200 professionals.
- Engineering major **L&T Construction** said it has bagged new orders worth ₹ 10 billion across various segments in the third quarter of 2011-12.
- Fertiliser manufacturer **Coromandel International** said it has increased stake in Sabero Organics to 67.75%. With the completion of this acquisition, the city-based company has become a subsidiary of Coromandel.
- The country's only listed micro-finance company **SKS Microfinance** said it will raise the investment limit for foreign institutional investors in the company to 74% from 24% at present.
- **Ashok Leyland** said it had acquired an additional 49.1% stake in British bus maker Optare Plc for over ₹ 300 million, taking its total holding to 75.1%.
- **Reliance Industries** said on Thursday it has bought a minority stake in Terra Power, a US-based nuclear-technology design and engineering company, through one of its subsidiaries.
- Engineering and construction firm **Punj Lloyd** said it has bagged ₹ 2.85 billion project from Kenya Highways Authority for constructing a road, marking its foray into the African nation.
- Steel-maker **Monnet Ispat** said it will buy back shares worth up to ₹ 1 billion from the open market at a price not exceeding ₹ 500 per share.
- Computer maker **HCL Infosystems** has increased prices of desktops, laptops and servers by 10-15% September onwards, as depreciating rupee has pushed up its imports bill.
- State-owned **ONGC** said it would buy 10% stake of Cairn India in a gas-discovery block that sits next to Reliance Industries' (RIL) prolific KG-D6 area in the Bay of Bengal.

## GLOBAL NEWS

- The French economy grew less than first thought in the third quarter at a revised 0.3%, down from the initial estimate of 0.4%, the national statistics institute INSEE said Friday.
- Banks borrowed around 489 billion euros from the European Central Bank (ECB) at its first-ever offer of three-year loans on hopes it will be a significant step toward easing the region's two-year old debt crisis.
- The eurozone's current account was back in deficit in October after the 17-country bloc notched up its first surplus for almost two years in September, the European Central Bank said on Monday.
- Germany plans to issue 250 billion euros of debt in 2012, down from 275 billion in 2011, the country's debt agency said on Wednesday.
- New US claims for unemployment benefits dropped last week to its lowest in more than 3-1/2 years, suggesting the labor market recovery was gaining speed.



## INDICES WEEKLY PERFORMANCE

Asian Indices	Weekly Performance		Var. %
	23-12-2011	16-12-2011	
BSE Sensex	15,738.70	15,491.35	↑ 1.60
China Shanghai Comp	2,204.78	2,224.84	↓ 0.90
Hongkong Hangseng	18,629.20	18,285.40	↑ 1.88
Indonesia Jakarta Comp	3,797.15	3,768.35	↑ 0.76
Japan Nikkei 225	8,395.15	8,401.72	↓ 0.08
Malaysia KLCI Comp	1,496.15	1,466.22	↑ 2.04
Pakistan Karachi 100	11,301.10	11,028.10	↑ 2.48
Philippines PSEi	4,372.24	4,304.94	↑ 1.56
S. Korea Kospi	1,867.22	1,839.96	↑ 1.48
Singapore Straits Times	2,676.47	2,659.22	↑ 0.65
Sri Lanka All Share	5,982.58	5,892.69	↑ 1.53
Thailand SET	727.97	726.49	↑ 0.20

Indian Main Indices	Weekly Performance		Var. %
	23-12-2011	16-12-2011	
BSE Sensex	15,738.70	15,491.35	↑ 1.60
S&P CNX Nifty	4,714.00	4,651.60	↑ 1.34
BSE 100	8,077.30	8,011.09	↑ 0.83
BSE 200	1,884.73	1,874.10	↑ 0.57
BSE Smallcap	5,614.90	5,688.39	↓ 1.29
CNX Midcap	6,187.65	6,285.30	↓ 1.55

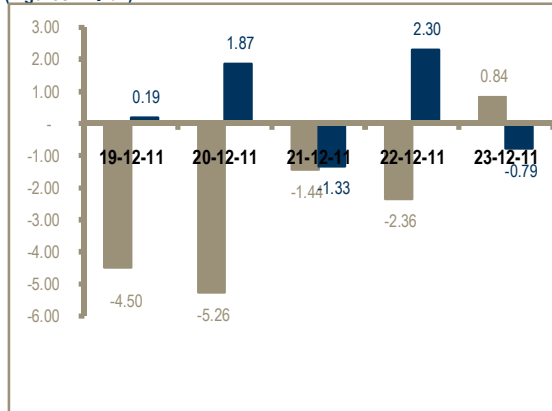
Sectoral Indices	Weekly Performance		Var. %
	23-12-2011	16-12-2011	
BSE Auto	8,281.47	8,106.88	↑ 2.15
BSE Bank	9,529.86	9,420.85	↑ 1.16
BSE Consumer Durable	5,328.28	5,226.36	↑ 1.95
BSE Capital Goods	8,159.49	8,427.17	↓ 3.18
BSE FMCG	4,088.18	3,961.27	↑ 3.20
BSE Healthcare	5,858.37	5,873.19	↓ 0.25
BSE IT	5,675.98	5,712.42	↓ 0.64
BSE Metal	9,531.62	9,682.99	↓ 1.56
BSE Oil& Gas	7,926.15	7,676.21	↑ 3.26
BSE Power	1,813.06	1,811.14	↑ 0.11
BSE PSU	6,422.09	6,429.30	↓ 0.11
BSE Realty	1,427.68	1,447.43	↓ 1.36
BSE Teck	3,327.31	3,355.57	↓ 0.84

# HINDUJA BANK (SWITZERLAND) LTD

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## FII / MF ACTIVITY OVER THE WEEK

(Figures in ₹ bn)



### SENSEX GAINERS & LOSERS

BSE 30	Date		Var. %
	23-12-2011	16-12-2011	
TATA MOTORS	185	176	↑ 4.91
M&M	696	666	↑ 4.56
MARUTI SUZUKI	974	932	↑ 4.54
HIND UNILEVER	412	395	↑ 4.20
HDFC	660	640.5	↑ 3.11
JP ASSOC	54	62	↓ 14.09
L&T	1009	1149	↓ 12.21
TATA STEEL	347	379	↓ 8.38
JINDAL STEEL	486	530	↓ 8.30
HERO MOTOCORP	1851	1970	↓ 6.06

### NIFTY GAINERS & LOSERS

NIFTY 50	Date		Var. %
	23-12-2011	16-12-2011	
TATA MOTORS	185	175	↑ 5.42
RANBAXY LAB	406	385	↑ 5.31
M&M	696	664	↑ 4.97
MARUTI SUZUKI	976	932	↑ 4.70
ONGC	262	251	↑ 4.34
JP ASSOC	54	62	↓ 13.68
L&T	1009	1147	↓ 12.01
IDFC	99	109	↓ 9.03
TATA STEEL	347	378	↓ 8.12
AXIS BANK	880	955	↓ 7.86

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